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RUEHSO/AMCONSUL SAO PAULO

UNCLAS RIO DE JANEIRO 000012

SENSITIVE  
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E.O. 12958: N/A  
TAGS: [ENRG](#) [ASEC](#) [HUD](#) [OPIC](#) [FAIR](#) [SOCI](#) [BR](#)  
SUBJECT: Rio Radar - January 7, 2010

REF: 2009 RIO DE JANEIRO 329

**¶1.** (U) Rio Radar is a regular compilation of key economic, political, commercial, and other developments in the states of Rio de Janeiro, Bahia, Minas Gerais, Espirito Santo, and Sergipe. This report's subjects:

#### NUCLEAR REACTORS REMAIN OPERATIONAL AFTER DEADLY MUDSLIDES

**¶2.** (U) Brazil's two nuclear reactors will stay open near the town of Angra do Reis, Rio de Janeiro state, despite calls from Angra do Reis' mayor to shut them down after December 31 mudslides killed 75 state-wide and blocked parts of the highways linking Angra do Reis with Rio de Janeiro and Sao Paulo. According to Angra do Reis Mayor Tuca Jordao, the town's 150,000 residents would not be able to evacuate the area due to the blocked highways and the threat of more mudslides, in the event of an accident involving the reactors. Leonam Guimaraes, Chief Executive Officer of Eletronuclear, the state-owned company that operates the plant, told us there were no plans to cease operations. He stated the mayor's concerns were misplaced, as Eletronuclear's safeguards were reliable and thorough. Angra's two nuclear reactors generate approximately 1,900 megawatts of electric energy, comprising slightly less than 3 percent of the national electricity supply.

#### RIO EXTENDS FAVELA PACIFICATION PROGRAM

**¶3.** (U) On December 23, 2009, Rio de Janeiro extended its Favela Pacification Program (reftel) to two favela communities, Ladeira dos Tabajaras and Morro dos Cabritos, deploying Military Police special operations units (BOPE) into the favelas (shantytowns) to expel drug trafficking elements that held de facto control over the communities. There were no reports of resistance or arrests. The operation brings the total number of favelas under the Pacification Program to nine.

#### GUNFIRE AND GRENADE IN COPACABANA WOUND FIVE

**¶4.** (U) On January 2, 2010, gunfire and a grenade explosion left four bystanders and one suspected gang member wounded in the predominantly tourist and residential district of Copacabana. According to the commander of the Military Police Battalion that patrols the area, the violence ensued after suspected drug trafficking gang members returned to the Pav????o-Pav????ozinho

favela in order to recover a weapons cache there, and were spotted by military police officers, resulting in an exchange of gunfire and vehicular chase. (Note: On November 30, 2009, Military Police entered the favela, expelling the controlling drug trafficking elements, and, on December 23, some 300 Pacification Police (UPP) officers began community policing operations in the Pav???o-Pav???ozinho and Cantagalo favelas. End Note). Police arrested five suspects and seized several weapons, including a high caliber machine gun, assault rifles, and Israeli-made pistols.

#### US AIRWAYS BEGINS SERVING BRAZIL

**15.** (U) On December 16, 2009, ConGen Rio's Principal Officer and Commercial Officer joined US Airways in inaugurating a direct Rio de Janeiro-Charlotte, North Carolina flight, marking the airline's first route in Latin America. The company has plans to expand to Sao Paulo and other Brazilian cities through code-sharing agreements.

#### OPIC INVESTMENT IN RIO HOUSING PROJECTS?

**16.** (U) On December 14 and 15, 2009, the Director for Housing and a Senior Insurance Officer from the Overseas Private Investment Corporation (OPIC), led a delegation of U.S. investors to Rio de Janeiro interested in investment opportunities in low and middle income housing. The delegation, briefed by Principal Officer and Commercial Officer, attended a seminar at the Construction Association and held meetings with the Rio State Secretary for Housing, the Rio de Janeiro Industrial Federation (FIRJAN), the federal mortgage bank (Caixa Economica), and the Municipal Secretariats for Finance and Housing.

#### RIO MUNICIPAL GOVERNMENT ANNOUNCES THREE YEAR GOALS

**17.** (U) On December 4, 2009, the Rio de Janeiro municipal government announced the following goals over the next three years:

--Health: Building 20 new Public Health Units (UPAs) and reducing emergency room wait times by 20 percent, as well as cutting the infant mortality rate by 11 percent;

--Security: Installing 400 additional video surveillance cameras around the city;

--Urban infrastructure: Repaving over 300 kilometers of the city's streets and reducing favela (shantytown) areas by 3.5 percent;

--Transportation: Reducing public transit time by 10 percent and implementing a special bus pass that will reduce costs for longer commutes;

--2016 Olympic Games: Completing construction of Olympic Villas;

--Social assistance: Reducing the number of indigent residents by 14 percent;

--Environment: Increasing sewage treatment capacity by 50 percent, seeking alternative solid waste sites, and increasing the number of bike lanes;

--Education: Scores of 5.1 and 4.3 by primary and secondary level students, respectively, on Brazil's Basic Education Development Index. In 2007, the national average was 4.2 for primary students and 3.8 for secondary level students;

--Public Finance: Instituting new contracting mechanisms.  
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